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The King's Pay Packet

The story could hardly have broken at a more inopportune time. As Secretary of State Cyrus Vance flew toward Amman to meet Jordan's King Hussein last week, The Washington Post topped its front page with a report confirming old rumors that Hussein had for years been on the payroll of the U.S. Central Intelligence Agency. The King, said the Post, had accepted millions of dollars over the years through a covert operation code-named "No Beef." The news was only a minor embarrassment for the CIA, but it quickly threatened to pose an obstacle to Jimmy Carter's plans for a major peace initiative in the Middle East. Charges that Hussein had ties to the CIA have been heard in the Middle East for years. Authors Victor Marchetti and John Marks mentioned Hussein as a recipient of CIA funds in the manuscript of their book, "The CIA and the Cult of Intelligence," although they were forced to delete his name from the published text. But Post investigative reporter Bob Woodward last week cited an official report that indicated for the first time the vast amount of CIA money involved. And a NEWSWEEK source later reported that the Jordanian King had received upwards of \$15 million since 1957. The money, about \$750,000 last year, was often paid to Hussein in cash by the agency's station chief in Amman. The CIA performed other services for the King as well—

paying for bodyguards to protect his children in the U.S. ("Project Kittens") and, in at least one instance, arranging for a female "escort" for Hussein in Washington. "Later there was a lot of concern because the girl was Jewish," one top intelligence source recalled.

Hussein races motorcycles and sports cars, flies his own jet, likes skin diving and karate. Queen Alia, who died in a helicopter crash a fortnight ago, was a beauty who draped herself in Paris fashions and expensive jewelry. But the King has other sources of income for such pleasures. According to intelligence sources, most of the CIA money went to subordinates in his government and to Jordanian tribesmen to insure their loyalty to the crown and to supply him with internal intelligence. The Jordanian Government denied that Hussein had engaged in any "improper practices" and called the Post account a "combination of fabrication and distortion."

Subsidies: Hussein is not the only friendly foreign leader to receive CIA money. People who have read the Marchetti-Marks manuscript report that it names, among others: West Germany's Chancellor Willy Brandt, and Presidents Nguyen Van Thieu of South Vietnam, Zaire's Mobutu Sese Seko and Jomo Kenyatta of Kenya. Brandt denied any CIA connection. As in Hussein's case, any of these men apparently used their subsidies not for personal purposes but to build the organizations that

many's Social Democratic Party.

The Carter White House, NEWSWEEK learned, had been re-evaluating Hussein's No Beef payoffs even before Woodward heard of them. The CIA itself had reported its "Hussein problem" to various White House and Congressional committees beginning in 1975, and last year President Ford's Intelligence Oversight Board ruled that the payments were improper. In Carter's White House, a newly constituted Special Coordinating Committee was reviewing the Hussein arrangement—and all other U.S. undercover projects—in preparation for a meeting with the President this week. "We were very much headed in the direction of squeezing off a lot of things," one Administration official told NEWSWEEK.

Then the Post started asking questions. In a heated discussion with executive editor Benjamin Bradlee, White House national-security adviser Zbigniew Brzezinski stressed the difficulty that publication of the Hussein story could cause for Vance's Middle East mission. President Carter himself later met with a delegation from the paper and also noted the sensitivity of the situation. But White House sources stressed that no direct request to kill or delay the story was made by any Administration official. Carter then ordered an end to the Hussein payments—not because he considered them unjustified but because he disapproved of the seamy technique employed. A senior Carter aide implied that a less furtive way might still be found to provide a subsidy for Hussein. To prevent similar surprises, Carter invited CIA director-designate Stansfield Turner to lunch, presumably to review the agency's undercover operations.

Ties: It will be some time before the diplomatic impact of the story becomes clear. At worst, it could so blacken Hussein's reputation that other Arab leaders will be forced to back away from him just when he seemed to be moving close to center stage of the Palestinian question (page 16). Syria's President Hafez Assad, who has developed closer ties with Jordan over the past year, could feel obliged to step away again.

But there were also some early signs that the revelations would not be devastating. They did not, certainly, alter the balance of forces in the Arab world, and it is these that have brought the Pales-

tine Liberation Organization into a more moderate frame of mind. In fact,

PLO leaders who had long suspected Hussein's involvement with the agency still planned to meet the King this week or next to discuss plans for a possible joint Jordanian-Palestinian delegation to a new session of Geneva peace talks with Israel. And the White House hoped that the powerful forces of Syria, Saudi Arabia and Egypt would continue to press for a peace settlement in their own self-interest, regardless of King Hussein's no-longer-secret life.

—DAVID M. ALPERN with NICHOLAS HORROCK and THOMAS M. DeFRANK in Washington and bureau reports

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